



Fiscal Review
Committee
February 2006

TENNESSEE BOARD OF REGENTS



Review of Tennessee Board of Regents Compensation

Principles of Compensation:

- **Compensation Plans are required of all institutions.**
- **Input is provided from campus committees with significant representation from faculty.**
- **The Board of Regents' responsibility to approve pay increases resulted from an amendment in the State of Tennessee's 1999-2000 appropriations bill on compensation. A Board Committee on Compensation was formed to analyze and recommend action on the pay increases to the full Board.**
- **The higher education community uses other higher education peers for competitive comparisons.**
- **Pay increases are intended to bring salaries for faculty and staff to peer levels and/or market targets, consistent with availability of funds.**
- **Recruitment of New College Presidents requires a national survey of higher education salaries to determine competitive compensation packages**

TBR Faculty and Staff:

1. Pay increases are essential in offering competitive pay that attracts and retains the best faculty and staff and protecting Tennessee from falling further behind the national and regional salary averages. An investment in our employees is considered an investment in our state's future economic growth and prosperity.
2. Pay increases are intended to bring salaries for faculty and staff to peer levels and/or market targets, consistent with availability of funds. Of the 2.5 million equity dollars and 2.2 million in merit (4.7 in million in merit and equity) increases in 2005-06, approximately 50% equity dollars (\$1,197,519) were given to faculty. In addition to the 50%, promotional increases for faculty of over \$750,000 were awarded.
3. The Tennessee Board of Regents institutions have developed compensation plans with significant input from campus committees and representation from faculty. Adjustments are recommended by each institutional president according to its unique mission and compensation plan, reviewed by TBR staff, and approved by the full Board. Some institutions have contracted with external resources to develop their plans for internal review. All collect data from the College and University Personnel Association (CUPA), the Board of Regents, and other institutions, and the local marketplace to ensure validation points along the way to set projections and goals.
4. A system wide non-exempt (clerical and support) pay plan was developed by the TBR staff in consultation with a committee of system wide campus representation and all institutions had implemented the plan by July 1, 2005.
5. Compensation Plans are required of all institutions. Final authority for approval of pay increases rests with the full Board of Regents following a recommendation by the Chancellor. The Board of Regents' responsibility to approve pay increases resulted from an amendment in the State of Tennessee's 1999-2000 appropriations bill on compensation. State law requires each institution to have a compensation plan for faculty and staff. The legislative amendment also requires that the individual salary increases be provided to the Office of Legislative Budget Analysis and the Commissioner of Finance and Administration.
6. A Board Committee on Compensation was formed to analyze and recommend action on the pay increases to the full Board. Compensation Guidelines were approved by the full Board at its March 24, 2000 Board meeting.
7. A TBR compensation calendar has been developed, along with an executive summary informational report, to present the types of salary transactions subject to approval by the Chancellor and the Board and reportable to the Legislative Budget Office, e.g. merit, equity, reclassification, degree adjustment, faculty promotions, and appointments over \$75,000.
8. The Committee on Compensation reviews the pay plan methodologies employed by the institutions in June each year, evaluates the collective impact of the institutional pay increases, and reviews by individual the proposed salaries. The Committee's recommendation is then presented to the full Board for approval of the individual campus increases in September each year. Equity and merit increases are considered annually. Other reportable categories are reported quarterly.

TBR Executive Compensation:

1. Attached are worksheets detailing the salary recommendations for presidents and directors. The increases were reviewed by the Committee on Compensation and approved by the full Board at its Fall 2005 meeting. TBR Staff developed the presidents and directors pay plans. The Committee on Compensation was provided the plan for review of TBR executive compensation similar to all other TBR employees. Individual recommendations for salary increases in the executive compensation plans are approved by the full Board similar to all other TBR employees.
2. The Tennessee Higher Education Commission determined the new peers for college presidents independent of the Board of Regents, and salaries of the presidents were not a factor used to determine the peers. The university presidents pay plan was updated based on the new Tennessee Higher Education Commission (THEC) funding peers. The community college presidents and the TTC directors are placed in tiers according to budget and enrollment size. Recruitment of New College Presidents requires a national survey of salaries to determine competitive compensation packages
3. The target salary levels for all presidents and directors are set at 90% of peers.
4. Equity increases are to be phased in over a two-year period. For the 2005-06 year, increases were limited to one-half of the gap or 5%, whichever is greater. The remaining amount is proposed to be granted in the following fiscal year.



Tennessee Board of Regents

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MEMORANDUM

TO: Members of the Tennessee Board of Regents

FROM: Charles W. Manning, Chancellor

SUBJECT: Executive Level Compensation

DATE: September 14, 2005

Attached are worksheets detailing the salary recommendations for presidents and directors that will be presented to the Board for approval, retroactive to July 1, 2005. The university presidents pay plan was updated based on the new THEC funding peers. The community college presidents and the TTC directors are placed in tiers according to budget and enrollment size. The target salary levels for all presidents and directors are set at 90% of peers.

I am recommending that the equity increases be phased in over a two-year period. For the current year, increases would be limited to one-half of the gap or 5%, whichever is greater. The remaining amount would be granted in the following fiscal year. Expense allowances are recommended to remain at current levels.

Attachments

Austin Peay State University • East Tennessee State University • Middle Tennessee State University • Tennessee State University
Tennessee Technological University • University of Memphis • Chattanooga State Technical Community College
Cleveland State Community College • Columbia State Community College • Dyersburg State Community College
Jackson State Community College • Motlow State Community College • Mississippi State Technical Community College
Roane State Community College • Southwest Tennessee Community College • Volunteer State Community College
Walters State Community College • Nashville State Technical Community College • Northeast State Technical Community College
The Tennessee Technology Centers

TENNESSEE BOARD OF REGENTS
PRESIDENTS TOTAL COMPENSATION SALARY STUDY
SEPTEMBER, 2005

TARGET SALARY REVISIONS				PROPOSED SALARY & PERCENT INCREASE					
Institution	Salary 7/1/05	90% of Revised Target	Increase to Reach 90% Revised Target	Equity % Increase Revised Target	First Year Phase-in	Proposed		Second Year Phase-in	Proposed Second Year Salary
						First Year Salary	First Year Equity %		
UOM	222,941	260,717	37,776	16.9%	18,888	241,828	8.5%	18,888	260,716
MTSU	204,028	223,808	19,780	9.7%	10,201	214,230	5.0%	9,578	223,808
ETSU	196,583	218,593	22,010	11.2%	11,005	207,588	5.6%	11,005	218,593
TSU	185,400	197,284	11,884	6.4%	9,270	194,670	5.0%	2,614	197,284
TTU	185,415	201,606	16,191	8.7%	9,271	194,685	5.0%	6,921	201,606
APSU	172,639	186,485	13,846	8.0%	8,632	181,271	5.0%	5,214	186,485

Institution	Salary 7/1/05	90% of		Increase to Reach 90%	Equity %		Proposed		Proposed	
		Revised Target	Revised Target		Revised Target	First Year Phase-in	First Year Salary	First Year Equity %	Second Year Phase-in	Second Year Salary
STCC	174,325	163,484	0	0.0%	0	174,325	0.0%	0	174,325	
CSTCC	145,979	145,978	0	0.0%	0	145,979	0.0%	0	145,979	
PSTCC	145,979	145,978	0	0.0%	0	145,979	0.0%	0	145,979	
RSCC	141,727	145,978	4,251	3.0%	4,251	145,978	3.0%	0	145,978	
VSCC	131,381	145,978	14,597	11.1%	7,299	138,680	5.6%	7,299	145,978	
NSCC	133,906	145,978	12,072	9.0%	6,695	140,601	5.0%	5,377	145,978	
WSCC	133,003	145,978	12,975	9.8%	6,650	139,653	5.0%	6,325	145,978	
COSCC	129,442	133,906	4,464	3.4%	4,464	133,906	3.4%	0	133,906	
NSTCC	130,931	133,906	2,975	2.3%	2,975	133,906	2.3%	0	133,906	
JSCC	119,028	133,906	14,878	12.5%	7,439	126,467	6.2%	7,439	133,906	
MSCC	120,515	133,906	13,391	11.1%	6,696	127,211	5.6%	6,696	133,906	
CLSCC	122,149	126,360	4,211	3.4%	4,211	126,360	3.4%	0	126,360	
DSCC	126,360	126,360	0	0.0%	0	126,360	0.0%	0	126,360	

TENNESSEE BOARD OF REGENTS
DIRECTORS TOTAL COMPENSATION SALARY STUDY
SEPTEMBER, 2005

Institution	Salary 7/1/2005	90% of		Increase to Reach		Equity %		Proposed		First		Second		Proposed
		Revised	Target	90% Revised	Target	Revised	Target	First Year	First Year	Equity %	Equity %	Second Year	Second Year	
Memphis	109,333	109,333	-	-	-	0.0%	0.0%	109,333	109,333	0.0%	0.0%	-	-	109,333
Nashville	98,989	98,921	-	-	-	0.0%	0.0%	98,989	98,989	0.0%	0.0%	-	-	98,989
Morristown	98,921	98,921	-	-	-	0.0%	0.0%	98,921	98,921	0.0%	0.0%	-	-	98,921
Knoxville	96,722	98,921	2,199	2,199	2,199	2.3%	2.3%	98,921	98,921	2.3%	2.3%	-	-	98,921
Hohenwald	88,508	88,508	-	-	-	0.0%	0.0%	88,508	88,508	0.0%	0.0%	-	-	88,508
Paris	88,508	88,508	-	-	-	0.0%	0.0%	88,508	88,508	0.0%	0.0%	-	-	88,508
Dickson	88,508	88,508	-	-	-	0.0%	0.0%	88,508	88,508	0.0%	0.0%	-	-	88,508
Crossville	88,508	88,508	-	-	-	0.0%	0.0%	88,508	88,508	0.0%	0.0%	-	-	88,508
Livingston	88,508	88,508	-	-	-	0.0%	0.0%	88,508	88,508	0.0%	0.0%	-	-	88,508
Jackson	87,550	88,508	958	958	-	0.0%	0.0%	88,508	88,508	0.0%	0.0%	-	-	88,508
Elizabethton	85,711	88,508	2,797	2,797	958	1.1%	1.1%	88,508	88,508	1.1%	1.1%	-	-	88,508
Shelbyville	85,711	88,508	2,797	2,797	2,797	3.3%	3.3%	88,508	88,508	3.3%	3.3%	-	-	88,508
Murfreesboro	85,699	88,508	2,809	2,809	2,809	3.3%	3.3%	88,508	88,508	3.3%	3.3%	-	-	88,508
Pulaski	85,558	88,508	2,950	2,950	2,950	3.4%	3.4%	88,508	88,508	3.4%	3.4%	-	-	88,508
Newbern	78,096	78,095	-	-	-	0.0%	0.0%	78,096	78,096	0.0%	0.0%	-	-	78,096
Oneida	78,096	78,095	-	-	-	0.0%	0.0%	78,096	78,096	0.0%	0.0%	-	-	78,096
McKenzie	77,227	78,095	868	868	-	1.1%	1.1%	78,095	78,095	1.1%	1.1%	-	-	78,095
Ripley	76,020	78,095	2,075	2,075	2,075	2.7%	2.7%	78,095	78,095	2.7%	2.7%	-	-	78,095
Jacksboro	75,748	78,095	2,347	2,347	2,347	3.1%	3.1%	78,095	78,095	3.1%	3.1%	-	-	78,095
Covington	75,632	78,095	2,463	2,463	2,463	3.3%	3.3%	78,095	78,095	3.3%	3.3%	-	-	78,095
Crump	75,632	78,095	2,463	2,463	2,463	3.3%	3.3%	78,095	78,095	3.3%	3.3%	-	-	78,095
Harriman	75,614	78,095	2,481	2,481	2,481	3.3%	3.3%	78,095	78,095	3.3%	3.3%	-	-	78,095
Athens	74,263	78,095	3,832	3,832	3,832	5.2%	5.2%	77,976	77,976	5.0%	5.0%	119	119	78,095
Hartsville	72,100	78,095	5,995	5,995	5,995	8.3%	8.3%	75,705	75,705	5.0%	5.0%	2,390	2,390	78,095
McMinnville	72,100	78,095	5,995	5,995	5,995	8.3%	8.3%	75,705	75,705	5.0%	5.0%	2,390	2,390	78,095
Whiteville	72,100	78,095	5,995	5,995	5,995	8.3%	8.3%	75,705	75,705	5.0%	5.0%	2,390	2,390	78,095

**TENNESSEE BOARD OF REGENTS AND
UNIVERSITY OF TENNESSEE EXECUTIVE COMPENSATION
JANUARY 2006**

Institution	July 1, 2005 Salary	Percent of Peer average	University of Tennessee Salaries
UOM	241,828	83%	UTK 275,834
MTSU	214,230	86%	UTC 208,000
ETSU	207,588	85%	UTM 181,414
TSU	194,670	89%	
TTU	194,685	87%	
APSU	181,271	87%	

Institution	July 1, 2005 Salary	Percent of Plan
STCC	174,325	96%
CSTCC	145,979	90%
PSTCC	145,979	90%
RSCT	145,978	90%
VSCC	138,680	85%
NSCC	140,601	87%
WSCC	139,653	86%
COSCC	133,906	90%
NSTCC	133,906	90%
JSCC	126,467	85%
MSCC	127,211	85%
CLSCC	126,360	90%
DSCC	126,360	90%

Number and Percent of Employees
Receiving a Greater Percentage Increase
in Salary for 2004-05 to 2005-06
Than the President

	Number of Continuation Employees	Number of Continuation Employees with an Increase Greater than the President	% of Continuation Employees Receiving an Increase Greater than the President
APSU	544	203	37%
ETSU	1,176	141	12%
MTSU	1,580	226	14%
TSU*	NA	NA	NA
TTU	863	80	9%
UOM	2,040	177	9%
CSTCC	393	314	80%
CISCC	174	31	18%
CoSCC	216	17	8%
DSCC	117	72	62%
JSCC	243	37	15%
MSCC	172	1	1%
NSCC	246	29	12%
NSTCC	237	114	48%
PSTCC	372	369	99%
RSCC*	NA	NA	NA
STCC	633	215	34%
VSCC	297	68	23%
WSCC*	NA	NA	NA

* Note: TSU, RSCC, and WSCC appointed new presidents during this period.

Tennessee Board of Regents
University and Community College Average Faculty Salaries
Compared to the THEC Peer Institutions

2000-2001 through 2004-2005

SOURCE: SREB DATA EXCHANGE

	2000-01	2001-02	2002-03	2003-04	2004-05
Tennessee University Average	49,237	51,713	52,957	53,957	55,834
THEC Peer University Average	55,352	56,973	58,430	59,096	61,361
Tennessee as a % of Peers	89.0%	90.8%	90.6%	91.3%	91.0%
Tennessee Community College Average	36,121	39,019	40,968	41,964	43,551
THEC Peer Community College Average	41,424	43,987	44,984	45,424	46,426
Tennessee as a % of Peers	87.2%	88.7%	91.1%	92.4%	93.8%

2004-2005

Institution	Institution Average	THEC Peer Average	Percent of Peers	President as a % of Peers
Austin Peay State University	52,173	57,910	90.1%	87.0%
East Tennessee State University	54,071	59,986	90.1%	85.0%
Middle Tennessee State University	56,584	62,686	90.3%	86.0%
Tennessee State University	53,988	59,947	90.1%	89.0%
Tennessee Technological University	58,417	59,481	98.2%	87.0%
The University of Memphis	59,772	68,153	87.7%	83.0%
Community Colleges (Average)	43,551	46,426	93.8%	89.0%